

**Elizabeth A. Kane**  
P.O. Box 1573  
Honolulu, HI 96806  
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Fax: (808) 525-6302  
Email: Trustee@kanelawhawaii.com  
Trustee

UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF HAWAII

In re:

HAWAII ISLAND AIR, INC.

Case No.17-01078  
(Chapter 7)

Debtor(s)

Judge: Honorable Robert J. Faris

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**INTERIM REPORT OF TRUSTEE**

I, Elizabeth A. Kane, Trustee of the above referenced estate hereby submit the Trustee's Interim Report for the period ending September 30, 2022.

Executed this 28th day of October 2022, at Honolulu, Hawaii.

/s/ Elizabeth A. Kane  
TRUSTEE

**FORM 1**  
**INDIVIDUAL ESTATE PROPERTY RECORD AND REPORT**  
**ASSET CASES**

Case No: 17-01078 RJF Judge: Robert J. Faris Trustee Name: Elizabeth A. Kane, Trustee  
Case Name: HAWAII ISLAND AIR, INC. Date Filed (f) or Converted (c): 11/15/2017 (c)  
341(a) Meeting Date: 12/21/2017  
For Period Ending: 09/30/2022 Claims Bar Date: 04/26/2018

1	2	3	4	5	6
Asset Description (Scheduled and Unscheduled (u) Property)	Petition/ Unscheduled Values	Est Net Value (Value Determined by Trustee, Less Liens, Exemptions, and Other Costs)	Property Formally Abandoned OA=554(a)	Sale/Funds Received by the Estate	Asset Fully Administered (FA)/ Gross Value of Remaining Assets
1. BANK ACCOUNTS  Not identified in debtor schedules. May overlap with deposits in 7.1 to 7.4. All bank accounts liquidated by trustee will refer to this asset.	348,739.00	290,000.00		526,533.32	FA
2. Deposits - see attached balance sheet as of August 31, 2017  combined with bank accounts and refunds. Assets 1 and 19	1,155,753.00	1.00		0.00	FA
3. MR deposits, funded and unfunded - see attached balance sheet  Combined with bank accounts and refunds, assets 1 and 19	2,846,308.00	1.00		0.00	FA
4. Security Deposits UMR LC cash collateral - see attached balance  Combined with bank accounts and refunds, assets 1 and 19	2,494,757.00	1.00		0.00	FA
5. Restricted cash - see attached balance sheet as of August 31  combined with bank accounts and refunds. Assets 1 and 19	835,433.00	1.00		0.00	FA
6. ACCOUNTS RECEIVABLE  Because of claimed security interest, will make no attempt to collect on accounts receivable for benefit only of purported secured creditors.	878,252.00	878,252.00		7,238.37	FA
7. Expendable parts and supplies - see attached balance sheet as of August 31  All assets not sold were ordered abandoned.	251,557.00	251,557.00	OA	0.00	FA
8. Furniture, fixtures and office equipment - see attached balance sheet as of August 31  All assets not sold were ordered abandoned.	663,768.00	663,768.00	OA	50,000.00	FA
9. Ground Equipment - see attached balance sheet as of August 31  All assets not sold were ordered abandoned.	2,617,253.00	2,617,253.00	OA	50,000.00	FA
10. Flight Equipment - see attached balance sheet as of August 31	1,081,626.00	1,081,626.00	OA	0.00	FA

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11. Expendable parts and supplies - see attached balance sheet a All asstdsts not sold were ordered abandoned	3,698,879.00	3,698,879.00	OA	0.00	FA
12. Void (u)  Imported in error. Depreciation schedule, duplicative of other assets	0.00	N/A		0.00	FA
13. 2005 Toyota Sienna, 2007 Isuzu I290, 2012 Ch  Not running. Probably not sellable	Unknown	100.00		0.00	100.00
14. Aircraft  relief from stay granted, returned to lessor	Unknown	0.00		0.00	FA
15. Hangar lease at Honolulu International Airport  per agreement and order, estate received \$10,000 assignment fee, and \$10,529.86 for attorney fees and costs	0.00	10,000.00		20,529.86	FA
16. Patents, copyrights, trademarks, and trade secrets Trade nam  Trade names and trademarks sold as part of sale to Hawaiian Airlines. Funds accounted for with assets 8 and 9.	Unknown	0.00	OA	0.00	FA
17. Claims against Wells Fargo and Elix for wrongful termination of aircraft leases (u)  added in amended schedules	Unknown	0.00		0.00	FA
18. FAA Operating Certificate (u)  Cannot be sold in Chapter 7. Could only be sold in conjunction with sale of stock in debtor pursuant to Chapter 11 Plan.	0.00	0.00	OA	100,000.00	FA
19. Refunds (u)  May overlap with "deposits" identified in schedules. Debtor records not clear enough to be sure.	0.00	141,000.00		141,746.82	FA
20. CASH on hand (u)	0.00	55.94		55.94	FA

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Asset Description (Scheduled and Unscheduled (u) Property)	Petition/ Unscheduled Values	Est Net Value (Value Determined by Trustee, Less Liens, Exemptions, and Other Costs)	Property Formally Abandoned OA=554(a)	Sale/Funds Received by the Estate	Asset Fully Administered (FA)/ Gross Value of Remaining Assets
21. Vending comissions (u)	0.00	140.00		140.90	FA
22. STOCK in HFFC (u)	0.00	10,000.00		10,000.00	FA
23. Airport Trade Center lease	0.00	0.00		0.00	FA
24. Neighbor Island airport leases leases rejected by stipulated order	0.00	0.00		0.00	FA
25. 2014 RAM Proma	Unknown	0.00	OA	0.00	FA
26. Void (u) Duplicate of asset #29	0.00	N/A		0.00	FA
27. Claims against former officers and directors and other insiders (u)	0.00	1.00		0.00	1.00
28. DiP accounts (u) DIP accounts. cash collateral agreement in chapter 11 seems to have given security interest to insider creditors	0.00	0.00		229,930.41	FA
29. Preference/549 claim against Island Leasing and AAR (u) AAR settled, paid \$450,000. Island Leasing appealed from approval of settlement. Trial held August 2019.	0.00	900,000.00		450,000.00	450,000.00
30. Preference claims against non-insider creditors (u)	0.00	499,019.38		499,019.38	FA
31. Preference/fraudulent transfer claims against insiders (u) Claims against Ellison and Au entities, separate from major litigation described in Asset #27.	0.00	1.00		0.00	1.00

TOTALS (Excluding Unknown Values)

\$16,872,325.00

\$11,041,656.32

Gross Value of Remaining Assets  
\$2,085,195.00 \$450,102.00  
(Total Dollar Amount in Column 6)

Major activities affecting case closing which are not reflected above, and matters pending, date of hearing or sale, and other action:

10/21/22 discussion with counsel as to status of various moving parts of litigation.

7/11/22 district court continued trial until May 30, 2023

4/30/22 litigation ongoing. trial currently scheduled for November

1/30/22 litigation ongoing. multiple appeals and cross-appeals from various rulings.

9/25/21 my deposition concluded. litigation and further discovery ongoing.

9/10/21 litigation ongoing. multiple discovery disputes. My deposition scheduled for late September. Trial now scheduled for May 2022

7/27/21 all non-insider preference adversaries completed. mediation in insider actions scheduled, then canceled.

3/30/21 adversaries against insiders are being consolidated. My deposition tentatively scheduled

12/30/20 litigation continues. favorable judgment after trial in one case.

9/30/20 most non-insider preference cases have settled. trials in remaining cases scheduled for between December 2020 and July 2021. Trials in litigation against insiders scheduled for late 2021.

7/1/20 query of David Brandt what happened with vehicles. still not sold. all buyers backed out.

1/27/20 discuss status of sale of vehicles with David Brandt. per Dave, auction purchases fell through. Will be re-auctioning vehicles.

1/13/20 court denied motion to dismiss avoidance complaint

1/9/20 motions to approve various preference settlements. hearings set for 2/12

1/3/20 court denied motions to dismiss main adversary

10/25/19 respond to counsel's inquiry as to settlement parameters in some preference adversary proceedings.

10/23/19 court recommended adversary against PaCap and others to be heard by district court. assigned to Jill Otake.

10/22/19 counsel filed motion to further extend time to assume or reject certain contracts

10/21/19 email from counsel re potential settlement of preference/fraudulent transfer adversary against Au and Ellison entities.

10/17/19 Ellison entities filed motion to dismiss adversary. hearing set for 12/13/19

10/15/19 Au entities filed motion to dismiss adversary.

10/11/19 preference/fraudulent transfer adversary filed against Au and Ellison entities

10/10/19 preference complaint against Oshiro. Form 5500 and related filings for 401K successfully uploaded

10/9/19 preference complaints against various recipients of payments within 90 days of petition, discussions with MassMutual and Sakamoto re filings for 401K

10/7/19 discussions with counsel re retention of expert witness for main adversary

10/3/19 emails with counsel and with MassMutual re filings for 401K

9/27/19 final post-trial briefs in Island Leasing adversary filed by all parties

9/25/19 formal notification of revocation of FAA certificate

9/13/19 post-trial briefs in Island Leasing adversary

9/11/19 demand letters sent to preference recipients

9/5/19 meet with counsel re preference claims, review and comment on draft demand letter form

8/26/19 telephone call from interested person re historical issues with Island Air. Email re same. Forward to counsel.

8/23/19 follow-up correspondence with MassMutual and counsel re 401K close-out issues

8/19/19 correspondence from FAA and insurance issuer as to whether Island Air intends to fly any more

8/15/19 final day of trial in Island Leasing adversary

8/14/19 Day two of trial in Island Leasing adversary

8/13/19 Day one of trial in Island Leasing adversary

8/12/19 adversary filed against Au and Ellison entities. Island Leasing appealed order approving settlement with AAR

8/10/19 meeting with counsel re trial prep for Island Leasing adversary

8/6/19 court entered order approving AAR settlement

8/5/19 hearing on motion to approve AAR settlement. Granted

7/30/19 finalize settlement with AAR, motion to approve settlement filed, along with motion to limit notice and to shorten time for hearing

7/22/19 motion to extend time to assume or reject certain executory contracts

7/19/19 order on motion for partial summary judgment in Island Leasing adversary. Granted in part and denied in part. Trial scheduled for August.

7/16/19 order approving joint prosecution and claim sharing agreement with unions, for claims against Ellison and Au entities

7/15/19 hearing on motion to approve joint prosecution and claim sharing agreement with unions.

7/14/19 hearing on motion for partial summary judgment in Island leasing adversary.

7/9/19 emails with counsel and MassMutual re various issues with 401K

7/5/19 meet with counsel re various issues

7/3/19 notice from FAA of intent to cancel certificate

7/2/19 motion to assume D&O policy filed

7/1/19 motion to approve joint prosecution agreement filed

6/27/19 file 2017 tax returns, prompt determination letters

6/17/19 motion for partial summary judgment, count III, Island Leasing adversary

5/7/19 court ruled denying summary judgment in Island Leasing adversary

3/27/19 American Express will be turning over more funds, since all charge back periods will be expiring soon

3/1/19 hearing on motion for summary judgment, Island Leasing adversary

1/23/19 motion for summary judgment in Island Leasing adversary

10/29/18 hearing on abandonment of FAA certificate and related items. Granted, over objection by purported secured creditors

10/26/18 FHB indicated has cut checks and is closing all DIP accounts. Counsel working on agreement with AMEX as to setoff of reserves and charge backs

10/22/18 Review draft reply memo re abandonment notice, meet with counsel re status of various litigation

10/12/18 correspondence with Mass Mutual re 401K issues

10/5/18 emails with counsel re 401K annuity issue, answer to counterclaim in Island Leasing adversary

10/4/18 purported secured creditors filed statement in response to abandonment notice. Review and comment on draft opposition to motion to compel in Island Leasing case

10/3/18 court entered its own form of protective order resolving dispute with purported secured creditors re documents

9/24/18 emails with counsel re TSYS potential claim, and set off issues

9/21/18 emails with MassMutual and with benefits counsel re various 401K issues

9/20/18 notice of proposed abandonment of various trade names, web sites, FAA certificate

9/18/18 discuss with counsel issues relating to abandonment notice

9/12/18 emails and conference call with benefits counsel and MassMutual re issues related to 401K and need to provide annuity option rather than forcing participants into IRAs and other issues affecting termination of plan

9/4/18 counsel confirms that no entities currently interested in purchasing FAA certificate, so will move to abandon

8/30/18 follow up with auctioneer re status of sale of vehicles

8/27/18 meet with counsel re various issues in litigation

8/23/18 emails with counsel concerning issues related to stipulated protective order re documents pursuant to 2004 orders

8/7/18 application to employ special counsel after firm merger and name change

8/1/18 review draft application to employ special counsel under new name

7/22/18 special counsel requested consolidation of physical documents that are not in storage, in their office

7/16/18 received notice that special counsel firm merged with another and changed name. instructed to prepare application to employ under new name

7/13/18 motion to extend time re various contracts

7/10/18 follow up with counsel on various issues relating to sale of vehicles

7/5/18 emails with counsel re funds in ARC accounts, set off agreement

6/27/18 order on proposed sale of vehicles

6/15/18 order of abandonment of vehicle

6/13/18 emails with counsel re disposition of vehicle

6/7/18 emails with benefits counsel re insurance relating to 401K

5/24/18 emails with general counsel and benefits counsel re insurance for 401K, payment of premiums

5/21/18 emails with counsel and auctioneer re van to be abandoned, removal from hangar

5/18/18 notice of proposed abandonment of van, and of proposed sale of other vehicles. emails with counsel re CB&T funds, other issues

5/17/18 emails with counsel re issues relating to abandonment of assets not abandoned in last notice

5/15/18 further motion to extend time for assumption or rejection of certain contracts

5/11/18 emails with counsel re issues relating to production of documents, protective order, conference call with MassMutual and benefits counsel re issues and status of 401K plan termination efforts

5/7/18 emails with counsel re issues relating to physical documents of debtor, stipulated order re Wells Fargo controlled accounts, 401K plan termination

5/4/18 provide wire transfer information to counsel for Wells Fargo funds turnover

5/1/18 emails with counsel re insurance policies, status of abandonment of physical assets

4/26/18 hold and conclude 341 meeting

4/25/18 order of abandonment of physical assets not purchased by Hawaiian Air

4/20/18 application to employ auctioneer to sell vehicles

4/18/19 purported secured creditors filed opposition to notice of abandonment of physical assets, discuss that and other issues with counsel

4/13/18 approve form of agreement with HFFC re turnover of funds for stock certificate

4/11/18 review various files at corporate office as part of process of removing to go to storage

4/4/18 receive payment from Hawaiian Air, note that one wire inadvertently sent to me, Hawaiian Air requested return of funds, instructed bank to permit withdrawal of wire

3/30/18 notice of proposed abandonment of physical assets not sold to Hawaiian Air

3/29/18 meet with counsel re various issues in case

3/26/18 discussions with counsel re storage of files from debtor corporate offices

3/22/18 discussions with counsel re review of debtor documents

3/20/18 court entered order approving sale of various assets to Hawaiian Airlines

3/14/18 discussions with counsel re various issues

3/7/18 emails with counsel re various issues

3/6/18 meet with counsel, discuss various issues

3/5/18 emails with US trustee's office and with counsel re various issues

3/1/18 order employing special counsel

2/27/18 hearing on motion to sell various assets and assign hangar lease to Hawaiian Airlines

2/26/18 approve form of additional supplemental memoranda re proposed sale

2/23/18 supplemental memorandum re proposed sale

2/22/18 emails and discussions with counsel re various issues relating to sale of assets, purported secured creditor's change of position re sharing of expenses and proceeds, funds in control accounts, accounting of funds due to state for airport leases and possible refunds due to estate

2/16/18 emails with counsel re issues relating to control accounts, special counsel employment, 401K, insurance claims

2/13/18 emails with benefits counsel re various issues relating to 401K and to TASC, with general counsel re various issues

2/12/18 emails with counsel re various issues

2/11/18 discussion with counsel re message from party wanting to talk to me without counsel

2/9/18 follow up with counsel re various issues, including control accounts, motion to extend deadlines to assume certain contracts, insurance policy issues

2/8/18 emails with counsel and others re 401K issues, TASC issues, revocable permit issues, hangar lease issues

2/7/18 emails with counsel and others re 401K issues, TASC, revocable permit issues, hangar lease issues

2/6/18 emails with counsel re various issues. including rejection of revocable permits and surrender of neighbor island airport premises, possible bidders to purchase Honolulu airport hangar lease

2/6/18 correspondence with FHB re turnover of funds after liquidation of TCD and setoff off claims

2/5/18 follow up with counsel on status of hangar lease and other issues

2/2/18 follow up with counsel as to various issues including hangar lease bid procedures, and potential claims and discovery

2/2/18 meet at airport hangar with party interested in bidding on lease

2/1/18 follow up with counsel re hangar lease sale

2/1/18 follow up on various issues relating to 401K with MassMutual and with benefits counsel

1/31/18 follow up on various issues, including proposed agreement with purported secured creditors as to sharing of expenses and sale proceeds. discuss matter with auctioneer

1/30/18 follow up on issues relating to 401K termination

1/29/18 follow up re issues related to 401K plan termination

1/29/18 hearing on motion to sell, continued for approximately one month

1/27/18 emails with counsel re issues relating to possible agreement with purported secured creditor

1/26/18 emails with counsel re possible agreement with purported secured creditor for sharing of expenses and proceeds of sale. withdrawal of proposed abandonment in light of possible agreement with purported secured creditor

1/25/18 follow up on various issues, including terms of surrender of neighbor island airports, sale of lease of hangar in Honolulu airport

1/24/18 follow up on various issues, emails with counsel

1/23/18 emails with counsel re issues including status of hangar lease, pre-petition sale of parts, 401K, union representatives

1/23/18 telephone conference with MassMutual re 401K issues

1/21/18 emails with counsel re sale of hangar lease, admin claims bar date, Citibank stipulation re letter of credit

1/18/18 continued 341 meeting

1/16/18 various matters, including terms of surrender of neighbor island airport spaces

1/14/18 emails with counsel re proposals regarding surrender of neighbor island airport spaces

1/12/18 emails with counsel re extension of time for various contracts

1/9/18 follow up on matters related to 401K termination

1/8/18 401K plan termination issues

1/5/18 hearing on proposed sale of estate assets. continued

1/2/18 formal withdrawal of motion to dismiss case

12/28/17 various issues relating to equipment leases

12/27/17 correspondence and discussions re logistics of sale of FAA certificate, requirements for chapter 11 plan confirmation

12/26/17 meet with counsel and IT at debtor corporate office

12/22/17 sign agreement with Hawaiian Airlines to purchase assets

12/21/17 341 meeting

12/20/17 review application to employ special employee benefits counsel

12/19/17 hearing on motion to dismiss and abandonment, sale agreement with Hawaiian Airlines

12/18/17 review various drafts of possible agreement and term sheet re sale of assets to Hawaiian Airlines

12/17/17 discussions re possible sale of assets to Hawaiian Airlines

12/16/17 term sheet revisions for sale to Hawaiian Airlines

12/15/17 proposal from Hawaiian Airlines to purchase estate assets

12/12/17 various issues related to 401K, funds mistakenly deposited into wrong account

12/11/17 follow up with counsel on inquiries by potential purchasers, 401K issues

12/7/17 hearing on motion to dismiss. continued to permit last-ditch effort to find buyer for FAA certificate

12/6/17 motion to dismiss case. emergency motion to shorten time

12/5/17 review draft of motion to dismiss case

12/4/17 issues relating to cancelation of medical insurance for former employees

12/1/17 401K issues. insurance issues. lease issues.

11/30/17 follow up with Mass Mutual and counsel re 401K issues, with counsel re status of potential rejection of leases and advisability of motion to dismiss case in light of problems with purported secured creditors and lack of unencumbered assets in estate

11/29/17 follow up re status of 401K contributions mistakenly deposited into wrong account, and counsel's opinion that not property of estate. follow up as to inquiry from airport personnel re status of hangar at Honolulu airport

11/28/17 review revised notice of proposed abandonment, draft correspondence to counsel for purported secured creditors regarding FAA certificate issues

11/27/17 follow up with counsel re possible purchasers of assets, status of insurance policies, question as to who must get notice of proposed abandonment, whether under the circumstances the court would send notice

11/25/17 discuss NDA to use for potential bidders on estate assets with counsel

11/24/17 correspondence with counsel re issues related to purported secured creditor, draft notice of proposed abandonment in light of refusal of purported secured creditor to agree to carve-out to pay any portion of chapter 7 admin costs

11/22/17 inspect Kauai facility. correspondence with counsel re FAA certificate, other current issues including discussions with purported secured creditor concerning funding of chapter 7

11/21/17 follow up re status of various issues, including status of 401K payments

11/20/17 more follow up with counsel re purported secured creditor demands, contact bank with DIP accounts and freeze accounts, arrange to visit and inspect Kauai airport

11/19/17 follow up with counsel as to various issues respecting activities of purported secured creditor, including demand that I use Chapter 7 estate funds to pay Chapter 11 admin expense, unpaid health insurance premiums for former employees

10/18/17 follow up with counsel as to various issues including activities of purported secured creditors to interfere with estate property. inspect Kona airport facility

10/17/17 follow up on various issues, including offers to purchase assets, status of FAA certificate, arrange to inspect neighbor island airport premises and equipment

10/16/17 follow up on issues related to aircraft repossession, securing assets of estate, potential for FAA certificate sale, status of former employees, issues relating to health insurance premiums not paid

11/15/17 official conversion and appointment order entered, arrange to visit debtor premises

11/14/17 discuss issues, including press reports, unpaid employee benefits, FAA certificate, with counsel

11/13/17 discuss new case with Simon Klevansky

11/9/17 review information from US Trustee's office about new case

Initial Projected Date of Final Report (TFR): 12/31/2022

Current Projected Date of Final Report (TFR): 12/31/2025

Trustee Signature: /s/ Elizabeth A. Kane, Trustee

Date: 10/28/2022

Elizabeth A. Kane, Trustee  
P.O. Box 1573  
Honolulu, HI 96806  
(808) 223-2726  
Trustee@kanelawhawaii.com

**FORM 2**  
**ESTATE CASH RECEIPTS AND DISBURSEMENTS RECORD**

Case No: 17-01078  
Case Name: HAWAII ISLAND AIR, INC.

Trustee Name: Elizabeth A. Kane, Trustee  
Bank Name: Associated Bank  
Account Number/CD#: XXXXXX3191  
Checking

Taxpayer ID No: XX-XXX8708  
For Period Ending: 09/30/2022

Blanket Bond (per case limit): \$4,000,000.00  
Separate Bond (if applicable):

1	2	3	4		5	6	7
Transaction Date	Check or Reference	Paid To / Received From	Description of Transaction	Uniform Tran. Code	Deposits (\$)	Disbursements (\$)	Account/CD Balance (\$)
12/20/17	18	Hawaiian Airlines	Non refundable deposit Deposit towards sale of operating certificate	1229-000	\$50,000.00		\$50,000.00
12/26/17	18	Hawaiian Airlines Hilo International Airport Hilo HI 96720	Non refundable deposit Further deposit towards operating certificate	1229-000	\$50,000.00		\$100,000.00
01/08/18		Associated Bank	Bank Service Fee under 11 U.S.C. § 330(a)(1)(B), 503(b) (1), and 507(a)(2)	2600-000		\$43.15	\$99,956.85
01/22/18	19	Hawaii Gas	Refund for gas	1229-000	\$1,633.08		\$101,589.93
01/22/18	6	Air Line Pilots Association Int'l	inv#1280	1121-000	\$6,929.42		\$108,519.35
01/22/18	19	NAT Workers Compensation Insurance Program	Workers comp refund	1229-000	\$56,175.64		\$164,694.99
01/22/18	6	Aloha Air Cargo	inv 110217	1121-000	\$100.00		\$164,794.99
01/22/18	19	HireRight, LLC	Payment for employee records	1229-000	\$50.00		\$164,844.99
01/22/18	19	HireRight, LLC	Employee record fee	1229-000	\$50.00		\$164,894.99
01/24/18		State of Hawaii Department of Education	Check payable to debtor found in debtor's premises	1229-000	\$1,527.50		\$166,422.49
01/24/18	6	Kaiser Permanente	Check payable to debtor found in debtor's premises	1121-000	\$208.95		\$166,631.44
01/24/18	20	Hawaii National Bank	Cash of debtor	1229-000	\$55.94		\$166,687.38
02/01/18	19	Chrysler Capital	Refund on RAM 1500	1229-000	\$662.06		\$167,349.44
02/07/18		Associated Bank	Bank Service Fee under 11 U.S.C. § 330(a)(1)(B), 503(b) (1), and 507(a)(2)	2600-000		\$177.14	\$167,172.30
02/12/18	1	First Hawaiian Bank	turnover of TCD balance	1129-000	\$22,561.16		\$189,733.46

Page Subtotals:

\$189,953.75

\$220.29

**FORM 2**  
**ESTATE CASH RECEIPTS AND DISBURSEMENTS RECORD**

Case No: 17-01078  
Case Name: HAWAII ISLAND AIR, INC.

Trustee Name: Elizabeth A. Kane, Trustee  
Bank Name: Associated Bank  
Account Number/CD#: XXXXXX3191  
Checking

Taxpayer ID No: XX-XXX8708  
For Period Ending: 09/30/2022

Blanket Bond (per case limit): \$4,000,000.00  
Separate Bond (if applicable):

1	2	3	4		5	6	7
Transaction Date	Check or Reference	Paid To / Received From	Description of Transaction	Uniform Tran. Code	Deposits (\$)	Disbursements (\$)	Account/CD Balance (\$)
02/14/18		Associated Bank	bank fee	2600-000		\$12.00	\$189,721.46
02/28/18	19	First Hawaiian Bank	fourth quarter fee rebate	1229-000	\$131.40		\$189,852.86
03/05/18		Associated Bank	Refund of erroneous nsf check charge`	2600-000		(\$12.00)	\$189,864.86
03/05/18		State of Hawaii Department of Education	Check payable to debtor found in debtor's premises Reversal Payor stopped payment on the check.	1229-000	(\$1,527.50)		\$188,337.36
03/06/18	1001	International Sureties, LTD 701 Poydras St., Suite 420 New Orleans, LA 70139	2018 bond	2300-000		\$144.67	\$188,192.69
03/07/18	21	Coca-Cola Bottling of Hawaii	vending commission	1229-000	\$140.90		\$188,333.59
03/07/18		Associated Bank	Bank Service Fee under 11 U.S.C. § 330(a)(1)(B), 503(b)(1), and 507(a)(2)	2600-000		\$239.73	\$188,093.86
03/19/18	19	LVP H2S Seattle Holding Corp	Refund of overpayment	1229-000	\$3,307.79		\$191,401.65
04/03/18		Elliot Street Holdings, Inc.	Wire transfer of payment for assets purchased		\$100,000.00		\$291,401.65
			Gross Receipts \$100,000.00				
	8		Furniture, fixtures and office equipment - see attached bala \$50,000.00	1129-000			
	9		Ground Equipment - see attached balance sheet as of August 3 \$50,000.00	1129-000			
04/03/18	15	Elliott Street Holdings	Honolulu Hangar lease	1110-000	\$20,529.86		\$311,931.51
04/06/18		Associated Bank	Bank Service Fee under 11 U.S.C. § 330(a)(1)(B), 503(b)(1), and 507(a)(2)	2600-000		\$281.74	\$311,649.77
04/19/18	22	Hawaii Fuelingn Facilities Corp.	Stock in HFFC	1229-000	\$10,000.00		\$321,649.77

Page Subtotals:

\$132,582.45

\$666.14

**FORM 2**  
**ESTATE CASH RECEIPTS AND DISBURSEMENTS RECORD**

Case No: 17-01078  
Case Name: HAWAII ISLAND AIR, INC.

Trustee Name: Elizabeth A. Kane, Trustee  
Bank Name: Associated Bank  
Account Number/CD#: XXXXXX3191  
Checking

Taxpayer ID No: XX-XXX8708  
For Period Ending: 09/30/2022

Blanket Bond (per case limit): \$4,000,000.00  
Separate Bond (if applicable):

1	2	3	4		5	6	7
Transaction Date	Check or Reference	Paid To / Received From	Description of Transaction	Uniform Tran. Code	Deposits (\$)	Disbursements (\$)	Account/CD Balance (\$)
05/07/18		Associated Bank	Bank Service Fee under 11 U.S.C. § 330(a)(1)(B), 503(b)(1), and 507(a)(2)	2600-000		\$450.77	\$321,199.00
05/09/18	1	Wells Fargo Bank Northwest NA	Carve-out from Wells Fargo and Elix from control account pursuant to stipulated order entered 5/4/18	1129-000	\$30,000.00		\$351,199.00
05/21/18	1	California Bank & Trust	balance in debtor accounts at CBT	1129-000	\$136,937.79		\$488,136.79
06/07/18		Associated Bank	Bank Service Fee under 11 U.S.C. § 330(a)(1)(B), 503(b)(1), and 507(a)(2)	2600-000		\$582.82	\$487,553.97
06/27/18	19	ARINC	ARC refund	1229-000	\$11,618.66		\$499,172.63
07/09/18		Associated Bank	Bank Service Fee under 11 U.S.C. § 330(a)(1)(B), 503(b)(1), and 507(a)(2)	2600-000		\$703.67	\$498,468.96
07/27/18	1	Bank of Hawaii	TDA 8032-3611959 received notice of maturity of certificate of deposit. closed account.	1129-000	\$100,210.52		\$598,679.48
08/07/18		Associated Bank	Bank Service Fee under 11 U.S.C. § 330(a)(1)(B), 503(b)(1), and 507(a)(2)	2600-000		\$765.17	\$597,914.31
08/21/18	19	United States Treasury	941 refund 12/2017	1229-000	\$129.61		\$598,043.92
09/10/18		Associated Bank	Bank Service Fee under 11 U.S.C. § 330(a)(1)(B), 503(b)(1), and 507(a)(2)	2600-000		\$888.97	\$597,154.95
10/05/18		Associated Bank	Bank Service Fee under 11 U.S.C. § 330(a)(1)(B), 503(b)(1), and 507(a)(2)	2600-000		\$859.31	\$596,295.64
10/30/18	28	First Hawaiian Bank	DiP bank account	1229-000	\$1,859.71		\$598,155.35
10/30/18	28	First Hawaiian Bank	DiP account	1229-000	\$16,979.92		\$615,135.27

Page Subtotals:

\$297,736.21

\$4,250.71

**FORM 2**  
**ESTATE CASH RECEIPTS AND DISBURSEMENTS RECORD**

Case No: 17-01078  
Case Name: HAWAII ISLAND AIR, INC.

Trustee Name: Elizabeth A. Kane, Trustee  
Bank Name: Associated Bank  
Account Number/CD#: XXXXXX3191  
Checking

Taxpayer ID No: XX-XXX8708  
For Period Ending: 09/30/2022

Blanket Bond (per case limit): \$4,000,000.00  
Separate Bond (if applicable):

1	2	3	4		5	6	7
Transaction Date	Check or Reference	Paid To / Received From	Description of Transaction	Uniform Tran. Code	Deposits (\$)	Disbursements (\$)	Account/CD Balance (\$)
10/30/18	28	First Hawaiian Bank	DIP account	1229-000	\$211,090.78		\$826,226.05
11/07/18		Associated Bank	Bank Service Fee under 11 U.S.C. § 330(a)(1)(B), 503(b)(1), and 507(a)(2)	2600-000		\$887.34	\$825,338.71
11/10/18	19	County of Kauai Department of Finance	Refund of overpayment of real property taxes	1229-000	\$341.82		\$825,680.53
11/30/18	1	AETRS Funding Acct	amex account payment	1129-000	\$210,068.30		\$1,035,748.83
12/07/18		Associated Bank	Bank Service Fee under 11 U.S.C. § 330(a)(1)(B), 503(b)(1), and 507(a)(2)	2600-000		\$1,197.77	\$1,034,551.06
01/08/19		Associated Bank	Bank Service Fee under 11 U.S.C. § 330(a)(1)(B), 503(b)(1), and 507(a)(2)	2600-000		\$1,538.00	\$1,033,013.06
02/07/19		Associated Bank	Bank Service Fee under 11 U.S.C. § 330(a)(1)(B), 503(b)(1), and 507(a)(2)	2600-000		\$1,535.88	\$1,031,477.18
03/07/19		Associated Bank	Bank Service Fee under 11 U.S.C. § 330(a)(1)(B), 503(b)(1), and 507(a)(2)	2600-000		\$1,385.16	\$1,030,092.02
03/28/19	1	AETRS	amex charge back account credit	1129-000	\$26,755.55		\$1,056,847.57
04/05/19		Associated Bank	Bank Service Fee under 11 U.S.C. § 330(a)(1)(B), 503(b)(1), and 507(a)(2)	2600-000		\$1,536.56	\$1,055,311.01
05/07/19		Associated Bank	Bank Service Fee under 11 U.S.C. § 330(a)(1)(B), 503(b)(1), and 507(a)(2)	2600-000		\$1,518.21	\$1,053,792.80
06/07/19		Associated Bank	Bank Service Fee under 11 U.S.C. § 330(a)(1)(B), 503(b)(1), and 507(a)(2)	2600-000		\$1,566.69	\$1,052,226.11
07/08/19		Associated Bank	Bank Service Fee under 11 U.S.C. § 330(a)(1)(B), 503(b)(1), and 507(a)(2)	2600-000		\$1,513.93	\$1,050,712.18

Page Subtotals:

\$448,256.45

\$12,679.54

**FORM 2**  
**ESTATE CASH RECEIPTS AND DISBURSEMENTS RECORD**

Case No: 17-01078  
Case Name: HAWAII ISLAND AIR, INC.

Trustee Name: Elizabeth A. Kane, Trustee  
Bank Name: Associated Bank  
Account Number/CD#: XXXXXX3191  
Checking

Taxpayer ID No: XX-XXX8708  
For Period Ending: 09/30/2022

Blanket Bond (per case limit): \$4,000,000.00  
Separate Bond (if applicable):

1	2	3	4		5	6	7
Transaction Date	Check or Reference	Paid To / Received From	Description of Transaction	Uniform Tran. Code	Deposits (\$)	Disbursements (\$)	Account/CD Balance (\$)
08/07/19		Associated Bank	Bank Service Fee under 11 U.S.C. § 330(a)(1)(B), 503(b)(1), and 507(a)(2)	2600-000		\$1,562.18	\$1,049,150.00
08/14/19	29	AAR	settlement from AAR	1241-000	\$450,000.00		\$1,499,150.00
09/09/19		Associated Bank	Bank Service Fee under 11 U.S.C. § 330(a)(1)(B), 503(b)(1), and 507(a)(2)	2600-000		\$1,948.16	\$1,497,201.84
10/07/19		Associated Bank	Bank Service Fee under 11 U.S.C. § 330(a)(1)(B), 503(b)(1), and 507(a)(2)	2600-000		\$2,154.26	\$1,495,047.58
10/23/19		Transfer to Acct # xxxxxx0057	Transfer of Funds	9999-000		\$1,495,047.58	\$0.00

COLUMN TOTALS	\$1,518,528.86	\$1,518,528.86
Less: Bank Transfers/CD's	\$0.00	\$1,495,047.58
Subtotal	\$1,518,528.86	\$23,481.28
Less: Payments to Debtors	\$0.00	\$0.00
Net	\$1,518,528.86	\$23,481.28

**FORM 2**  
**ESTATE CASH RECEIPTS AND DISBURSEMENTS RECORD**

Case No: 17-01078  
Case Name: HAWAII ISLAND AIR, INC.

Trustee Name: Elizabeth A. Kane, Trustee  
Bank Name: Axos Bank  
Account Number/CD#: XXXXXX0057  
Checking

Taxpayer ID No: XX-XXX8708  
For Period Ending: 09/30/2022

Blanket Bond (per case limit): \$4,000,000.00  
Separate Bond (if applicable):

1	2	3	4		5	6	7
Transaction Date	Check or Reference	Paid To / Received From	Description of Transaction	Uniform Tran. Code	Deposits (\$)	Disbursements (\$)	Account/CD Balance (\$)
10/23/19		Transfer from Acct # xxxxxx3191	Transfer of Funds	9999-000	\$1,495,047.58		\$1,495,047.58
12/17/19	30	Regional One Inc.	preference settlement	1241-000	\$15,036.88		\$1,510,084.46
12/26/19	30	AdRoll, Inc.	settlement payment	1241-000	\$24,716.04		\$1,534,800.50
01/06/20	19	NATA Workers Compensation Insurance Program	refund of workers comp premiums	1229-000	\$40,430.56		\$1,575,231.06
01/10/20	30	PrimeFlight Aviation Services, Inc.	settlement payment	1241-000	\$27,000.00		\$1,602,231.06
02/27/20	30	Oliver Wyman	preference settlement	1241-000	\$5,000.00		\$1,607,231.06
02/27/20	30	Holland & Knight LLP	preference settlement	1241-000	\$15,000.00		\$1,622,231.06
03/10/20	30	Sage Parts Plus	preference settlement	1241-000	\$15,000.00		\$1,637,231.06
06/03/20	30	Choi & Ito	tray Oh settlement	1241-000	\$10,500.00		\$1,647,731.06
08/19/20	30	Leech Tishman Fuscaldo & Lampi LLC Client Trust Account	Preference payment, Mentair	1241-000	\$3,750.00		\$1,651,481.06
09/08/20	30	Grey Aviation Services LLC	Mentair settlement	1241-000	\$3,750.00		\$1,655,231.06
09/26/20	30	Leech Tishman Ruscaldo & Lampl LLC	preference settlement Magellan Aviation Group	1241-000	\$22,500.00		\$1,677,731.06
10/09/20	30	Grey Aviation Services LLC	settlement payment	1241-000	\$3,750.00		\$1,681,481.06
11/03/20	19	Willis of New York	credit refund	1229-000	\$5,990.29		\$1,687,471.35
11/03/20	30	Klevansky Piper Client Trust Account	preference settlement Signature Flight settlement payment	1241-000	\$16,000.00		\$1,703,471.35
11/08/20	30	Grey Aviation Services	Settlement payment Mentair Group	1241-000	\$3,750.00		\$1,707,221.35

Page Subtotals:

\$1,707,221.35

\$0.00

**FORM 2**  
**ESTATE CASH RECEIPTS AND DISBURSEMENTS RECORD**

Case No: 17-01078  
Case Name: HAWAII ISLAND AIR, INC.

Trustee Name: Elizabeth A. Kane, Trustee  
Bank Name: Axos Bank  
Account Number/CD#: XXXXXX0057  
Checking

Taxpayer ID No: XX-XXX8708  
For Period Ending: 09/30/2022

Blanket Bond (per case limit): \$4,000,000.00  
Separate Bond (if applicable):

1	2	3	4		5	6	7
Transaction Date	Check or Reference	Paid To / Received From	Description of Transaction	Uniform Tran. Code	Deposits (\$)	Disbursements (\$)	Account/CD Balance (\$)
12/19/20	30	Panda Travel Inc.	preference settlement	1241-000	\$50,000.00		\$1,757,221.35
01/23/21	2001	International Sureties, LTD 701 Poydras St., Suite 420 New Orleans, LA 70139	2021 Bond	2300-000		\$1,226.50	\$1,755,994.85
03/02/21	30	Richard Oshiro	Payment of costs from litigation	1241-000	\$1,546.23		\$1,757,541.08
03/03/21		Axos Bank	Bank Service Fee under 11 U.S.C. § 330(a)(1)(B), 503(b) (1), and 507(a)(2)	2600-000		\$1,751.18	\$1,755,789.90
03/09/21	30	Richard Oshiro	Payment on preference judgment	1241-000	\$5,286.70		\$1,761,076.60
03/12/21	2002	International Sureties, LTD 701 Poydras St., Suite 420 New Orleans, LA 70139	Additional bond premium	2300-000		\$170.06	\$1,760,906.54
03/16/21	30	Flight Safety	preference settlement wire transfer	1241-000	\$250,000.00		\$2,010,906.54
03/24/21	19	NATA Workers Compensation Insurance	workers compensation insurance refund	1229-000	\$21,225.91		\$2,032,132.45
04/02/21		Axos Bank	Bank Service Fee under 11 U.S.C. § 330(a)(1)(B), 503(b) (1), and 507(a)(2)	2600-000		\$2,090.48	\$2,030,041.97
04/03/21	30	Richard Oshiro	Settlement payment	1241-000	\$5,287.00		\$2,035,328.97
05/03/21		Axos Bank	Bank Service Fee under 11 U.S.C. § 330(a)(1)(B), 503(b) (1), and 507(a)(2)	2600-000		\$2,136.99	\$2,033,191.98
06/01/21		Axos Bank	Bank Service Fee under 11 U.S.C. § 330(a)(1)(B), 503(b) (1), and 507(a)(2)	2600-000		\$2,208.22	\$2,030,983.76
06/05/21	30	Richard Oshiro	Settlement payment	1241-000	\$5,287.00		\$2,036,270.76
06/05/21	30	Richard Oshito	Settlement payment	1241-000	\$5,287.00		\$2,041,557.76
06/24/21	2003	International Sureties, LTd	bond premium increase 2021	2300-000		\$225.00	\$2,041,332.76

Page Subtotals:

\$343,919.84

\$9,808.43

**FORM 2**  
**ESTATE CASH RECEIPTS AND DISBURSEMENTS RECORD**

Case No: 17-01078  
Case Name: HAWAII ISLAND AIR, INC.

Trustee Name: Elizabeth A. Kane, Trustee  
Bank Name: Axos Bank  
Account Number/CD#: XXXXXX0057  
Checking

Taxpayer ID No: XX-XXX8708  
For Period Ending: 09/30/2022

Blanket Bond (per case limit): \$4,000,000.00  
Separate Bond (if applicable):

1	2	3	4		5	6	7
Transaction Date	Check or Reference	Paid To / Received From	Description of Transaction	Uniform Tran. Code	Deposits (\$)	Disbursements (\$)	Account/CD Balance (\$)
07/01/21		Axos Bank	Bank Service Fee under 11 U.S.C. § 330(a)(1)(B), 503(b)(1), and 507(a)(2)	2600-000		\$2,136.99	\$2,039,195.77
07/10/21	30	Richard Oshiro	final payment on settlement	1241-000	\$10,572.53		\$2,049,768.30
08/02/21		Axos Bank	Bank Service Fee under 11 U.S.C. § 330(a)(1)(B), 503(b)(1), and 507(a)(2)	2600-000		\$2,208.22	\$2,047,560.08
08/04/21		Global Surety, LLC	Refund of overpayment of trustee bond Bonding company refunded overpayment on trustee bond	2300-000		(\$88.92)	\$2,047,649.00
09/01/21		Axos Bank	Bank Service Fee under 11 U.S.C. § 330(a)(1)(B), 503(b)(1), and 507(a)(2)	2600-000		\$2,208.22	\$2,045,440.78
10/01/21		Axos Bank	Bank Service Fee under 11 U.S.C. § 330(a)(1)(B), 503(b)(1), and 507(a)(2)	2600-000		\$2,136.99	\$2,043,303.79
11/01/21		Axos Bank	Bank Service Fee under 11 U.S.C. § 330(a)(1)(B), 503(b)(1), and 507(a)(2)	2600-000		\$2,208.22	\$2,041,095.57
12/01/21		Axos Bank	Bank Service Fee under 11 U.S.C. § 330(a)(1)(B), 503(b)(1), and 507(a)(2)	2600-000		\$2,136.99	\$2,038,958.58
01/03/22		Axos Bank	Bank Service Fee under 11 U.S.C. § 330(a)(1)(B), 503(b)(1), and 507(a)(2)	2600-000		\$2,208.22	\$2,036,750.36
02/01/22		Axos Bank	Bank Service Fee under 11 U.S.C. § 330(a)(1)(B), 503(b)(1), and 507(a)(2)	2600-000		\$2,208.22	\$2,034,542.14
03/01/22		Axos Bank	Bank Service Fee under 11 U.S.C. § 330(a)(1)(B), 503(b)(1), and 507(a)(2)	2600-000		\$1,994.52	\$2,032,547.62
03/29/22	2004	International Sureties, LTD 701 Poydras St., Suite 420 New Orleans, LA 70139	2022 bond premium	2300-000		\$1,580.81	\$2,030,966.81

Page Subtotals:

\$10,572.53

\$20,938.48

**FORM 2**  
**ESTATE CASH RECEIPTS AND DISBURSEMENTS RECORD**

Case No: 17-01078  
Case Name: HAWAII ISLAND AIR, INC.

Trustee Name: Elizabeth A. Kane, Trustee  
Bank Name: Axos Bank  
Account Number/CD#: XXXXXX0057  
Checking

Taxpayer ID No: XX-XXX8708  
For Period Ending: 09/30/2022

Blanket Bond (per case limit): \$4,000,000.00  
Separate Bond (if applicable):

1	2	3	4		5	6	7
Transaction Date	Check or Reference	Paid To / Received From	Description of Transaction	Uniform Tran. Code	Deposits (\$)	Disbursements (\$)	Account/CD Balance (\$)
04/01/22		Axos Bank	Bank Service Fee under 11 U.S.C. § 330(a)(1)(B), 503(b)(1), and 507(a)(2)	2600-000		\$2,208.22	\$2,028,758.59
05/02/22		Axos Bank	Bank Service Fee under 11 U.S.C. § 330(a)(1)(B), 503(b)(1), and 507(a)(2)	2600-000		\$2,136.99	\$2,026,621.60
05/11/22	2005	Klevansky Piper LLP	attorney fees approved by order entered 5/10/22 first interim fee	3210-000		\$191,652.28	\$1,834,969.32
05/11/22	2006	Klevansky Piper LLP	attorney costs first interim fee application, order 5/10/22	3220-000		\$6,669.74	\$1,828,299.58
06/01/22		Axos Bank	Bank Service Fee under 11 U.S.C. § 330(a)(1)(B), 503(b)(1), and 507(a)(2)	2600-000		\$2,096.42	\$1,826,203.16
07/01/22		Axos Bank	Bank Service Fee under 11 U.S.C. § 330(a)(1)(B), 503(b)(1), and 507(a)(2)	2600-000		\$1,951.29	\$1,824,251.87
08/01/22		Axos Bank	Bank Service Fee under 11 U.S.C. § 330(a)(1)(B), 503(b)(1), and 507(a)(2)	2600-000		\$2,014.17	\$1,822,237.70
09/01/22		Axos Bank	Bank Service Fee under 11 U.S.C. § 330(a)(1)(B), 503(b)(1), and 507(a)(2)	2600-000		\$2,011.95	\$1,820,225.75

COLUMN TOTALS	\$2,061,713.72	\$241,487.97
Less: Bank Transfers/CD's	\$1,495,047.58	\$0.00
Subtotal	\$566,666.14	\$241,487.97
Less: Payments to Debtors	\$0.00	\$0.00
Net	\$566,666.14	\$241,487.97

Page Subtotals: \$0.00 \$210,741.06

## TOTAL OF ALL ACCOUNTS

	NET DEPOSITS	NET DISBURSEMENTS	ACCOUNT BALANCE
XXXXXX0057 - Checking	\$566,666.14	\$241,487.97	\$1,820,225.75
XXXXXX3191 - Checking	\$1,518,528.86	\$23,481.28	\$0.00
	-----	-----	-----
	\$2,085,195.00	\$264,969.25	\$1,820,225.75
	<hr/>		
	(Excludes account transfers)	(Excludes payments to debtors)	Total Funds on Hand
Total Allocation Receipts:	\$0.00		
Total Net Deposits:	\$2,085,195.00		
Total Gross Receipts:	\$2,085,195.00		

Trustee Signature: /s/ Elizabeth A. Kane, Trustee Date: 10/28/2022

Elizabeth A. Kane, Trustee  
P.O. Box 1573  
Honolulu, HI 96806  
(808) 223-2726  
Trustee@kanelawhawaii.com